

9.405-1 Continuation of current contracts.

(a) *Contractors debarred, suspended, or proposed for debarment.*

(1) Notwithstanding the *debarment, suspension*, or proposed *debarment* of a contractor, agencies *may* continue contracts or subcontracts in existence at the time the contractor was debarred, suspended, or proposed for *debarment* unless the *agency head* directs otherwise. A decision as to the type of termination action, if any, to be taken *should* be made only after review by agency *contracting* and technical personnel and by counsel to ensure the propriety of the proposed action.

(2) For contractors debarred, suspended, or proposed for *debarment*, unless the *agency head* makes a written determination of the compelling reasons for doing so, ordering activities *shall* not—

(i) Place orders exceeding the guaranteed minimum under indefinite quantity contracts;

(ii) Place orders under Federal Supply Schedule contracts, blanket purchase agreements, or basic ordering agreements; or

(iii) Add new work, exercise *options*, or otherwise extend the duration of current contracts or orders.

(b) *Ineligible* contractors. A covered agency, as defined in [9.110-1](#), *shall* terminate existing contracts and *shall* not place new orders or award new contracts with contractors that have been declared *ineligible* pursuant to 10 U.S.C. 983 (see [9.110](#)), except for contracts at or below the *simplified acquisition threshold* or contracts for the *acquisition* of *commercial products* and *commercial services*.

Parent topic: [9.405 Effect of listing.](#)